

**DECLARATION OF LUKE ROTTA
Pursuant to 28 U.S.C. § 1746**

I, Luke Rotta, have personal knowledge of the facts and matters set forth below. If called as a witness, I could and would testify as follows:

1. My name is Luke Rotta. I am over the age of 18 and reside in Westmont, Illinois
2. In approximately December 2023, I received a message on LinkedIn from someone who said he had an Amazon opportunity that I might be interested in. This was a random message. I said I was interested, and the person introduced me to an FBA Machine employee named Wes. Attached as **Attachment A** is a true and correct copy of the messages.
3. I was interested in FBA Machine and started to do some research on the company as I didn't know anything about it. I did some due diligence, but I could not find anything on the company besides some positive reviews, and I was interested in learning more about the business.
4. Wes did a presentation for me. He said the company would manage an e-commerce store on Amazon for me and I could earn income from the store. He said FBA Machine has a distribution center to handle the inventory for the store. He showed me a sample purchase order that he said he personally just did that showed the products purchased for his store, how much the products were purchased for, how much the products sold for, fees, and potential profit.
5. Wes told me the upfront fee was \$8,900 but he reduced it to \$6,900 for me. He told me that the company had a guarantee that I would get to \$10,000 in sales within 90 days or they would work for free until I do.

6. I wanted to think about it, but Wes told me I had 24 hours to make the decision, or the price would go back up to \$8,900. Wes sent me an email with links to the FBA Machine website, Steven Rozenfeld's Instagram account (he is the CEO of FBA Machine), a YouTube channel for FBA Machine, and testimonial videos to review. Attached as **Attachment B** is a true and correct copy of this email.
7. Steven had videos on social media that I watched to learn more about the company and the business. I also watched testimonial videos of people who said they made money using FBA Machine to manage their e-commerce stores. Wes sent me a Powerpoint of the FBA Machine program to review as well. I searched for but didn't find any complaints or negative reviews. Attached as **Attachment C** is a true and correct copy of the Powerpoint.
8. I decided to purchase FBA Machine's business opportunity. Wes explained to me that it would allow me to make passive income and would not require a lot of effort on my part since FBA Machine would do all the work. Wes told me that I would average 20% return on my investment. I paid with my credit card via a payment link in approximately December 2023. Bunn Processing Inc. was the merchant identifier on my credit card statement.
9. I never received any document from FBA Machine with any information substantiating their earning and profit claims contained in their sales pitches over the phone with the sales agent. I also never received a document from FBA Machine telling me whether the company (or any of its associated companies) has been subject to legal action or a list of consumers who purchased their services in the past 3 years.
10. Wes said FBA Machine could obtain for me a 0% interest credit line for twelve months to use for inventory. He said that FBA Machine worked with three different banks. Wes said

that there are three steps I needed to complete to obtain funding through this process. First, I had to sign up for IdentityIQ, which is a credit monitoring service that allows FBA Machine to view my credit score and figure out the best route to obtain funding without affecting my credit score. Second, I had to send my username, password, and last four of my social security number to FBA Machine so they could assess my financial situation on IdentityIQ. Third, Wes would call me and confirm funding timing. He said I will owe \$1,000 to FBA Machine for this service, and it will be applied to the 5% banking fee. IdentityIQ was only free for seven days. After that, I would be charged a monthly fee, but Wes said FBA Machine would reimburse me for the first month's charge and I could cancel the service once the funding went through. Attached as **Attachment D** is a true and correct copy of the email describing this service.

11. I was interested in this option. After I paid \$1,000, Wes handed me over to Reece, an FBA Machine employee. Then I realized that the process FBA Machine outlined was actually just opening up new credit cards. I could apply for a 0% interest credit card on my own for free, and I did not see the value in their funding option because I thought I should be using my cash to fund the business; not open up credit cards. Attached as **Attachment E** is a true and correct copy of my email to Wes regarding my concerns.
12. I obtained an American Express credit card that had a \$25,000 credit limit with interest free for a year.
13. Jerdonna, another FBA Machine employee, onboarded me and helped me set up my Amazon account.

14. My store started to sell products in approximately February 2024. I worked with a virtual assistant to order inventory and track my products and sales. I also had to pay \$99 per month for sales support software. I paid that with a credit card.
15. I paid about \$4,781 for inventory. My distributor was a company called KeHe. I had one product that sold quickly, and I made some money on that, but the other products were not profitable, and I lost money on them. I was in the negative for the first few months.
16. In March 2024, I emailed Melissa, my account representative, and asked several questions. I had been told during the sales process that I would receive training, but I had not heard anything about that. I asked why sales support was approximately \$100 per month because it seemed like it was just showing me a few dashboards. Attached as **Attachment F** is a true and correct copy of this email.
17. In addition to the monthly sales support charge, I was also charged for shipping and labeling. FBA Machine has a credit card on file for those charges. During the presentation I was told I would have to pay \$200 per month for a virtual assistant, but I am not sure if I have paid that yet.
18. When I ordered inventory, I would receive a purchase order (“PO”) which contained, among other things, the cost of the product, how much it could sell for, the estimated revenue and estimated profit, the return-on-investment (“ROI”) percentage, and additional fees. I had to approve this PO before inventory was ordered. Attached as **Attachment G** is a true and correct copy of a purchase order.
19. I didn’t understand some of the fees and charges. I was unsure what the actual costs were relative to my profit. I emailed Melissa and another employee, Erica, and said, “I have lost several hundred dollars on my first PO when the PO projected [about] \$200 in profit” and

“There are so many fees involved in this process it almost seems impossible to make any money.” I also said, “It seems almost impossible to make any money unless the purchase price for Kehe is at least 30%. When I put the cost of goods into the sku economics why does it show a negative number for net proceeds when the revenue calculator shows a profit?” Melissa sent me answers, but I still had more questions. I emailed back, “How do I get to positive net proceeds? I understand Amazon shows positive revenue but it’s negative profit or net proceeds thus far” and “I’m not at \$10,000 in revenue within 3 months which is what the FBA Machine sales pitch suggests. Why is that?” I also said, “So far I’ve invested \$10,000 into this business and I’ve not made \$1. I need to have positive cash flow and recuperate my investment at least. Can you help me accomplish that?” Attached as **Attachment H** is a true and correct copy of this email.

20. At the end of April, I had a meeting with Steven, Melissa, and Erica about my questions and concerns. Melissa and Steven told me that I should pay monthly for an app called Keepa (\$19 per month) that would show me the price history of products FBA Machine places in my POs to help me decide if I wanted to approve those products to sell in my store. I asked Steven how I could “get in the black.” Steven told me that I was still in the testing phase of figuring out which products will sell well in my store. He then said, “when you have \$10,000, 20,000 in recurring sales and then you test and then you lose on, you know, 20, 30 units, you know, it’s not going to...affect you that much. But right now, you know, obviously if all you’re doing is testing and all you’ve had is our negative tests or negative results, and obviously it’s going to look like the whole thing just doesn’t work.” I responded, “when or how do we make it work?” Steven responded by explaining that he starts clients with Kehe, a food distributor, because he has “a specific relationship and so

they understand what we're doing and they're okay with it. So that allows us to get you inventory quick, get you access to a large distribution list." Steven also said, "we want to test, we want to test products, and we want to this way, you know, because otherwise like, you know, if you're just going out there looking for products and an [sic] opening accounts and we don't know if it's going to work out, then you know, it could, it could backfire and then we have nothing to, to go to the show for [sic]." Steven told me that he grew his own sales to over a million dollars a month. I told Steven that I had to sell some of my products at a loss because the price was so low. Melissa sent me a link to the recorded call and the call was recorded by software called "Read." I was able to download a transcript of the call. I noticed when I looked at the transcript that the software did not always capture accurately the speaker, but the above quotes are accurate. Attached as **Attachment I** is a true and correct copy of the transcript of this call.

21. I wanted to grow my store, but my total sales since my store opened in February are only approximately \$6,372. This does not account for my inventory costs, fees, and any returns.
22. I wanted to pursue an additional distributor so I could sell more products and grow my business. I believe FBA Machine started the process, but I don't know if I have another distributor or if anyone has placed orders with a new distributor. I asked a few times, but Melissa told me the company will be reaching out soon to place orders with a distributor called Frontier, but then I never heard back after that on the status of any orders.
23. I spent approximately \$7,900 on this business opportunity before even putting in money for inventory, shipping fees and sales support software.
24. I did not make \$10,000 in sales in 90 days. In addition, it was difficult to get people to call me back or answer my questions.

25. I decided to pay \$19 monthly for Keepa, and it is helping me keep FBA Machine in check with the products for my store. However, for almost every order I have had, I have had to sell the products at a loss. Some products are profitable, but some I am selling at a loss, so I am basically at net zero.

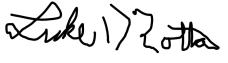
26. On my aggregate sales for my store, I was only paid out about \$2026 and I have a pending payment of \$1,121.18.

27. I have not made any profit yet, and I have not recouped my initial investment. The sales support software always shows my store in the red.

28. The prices of my products seem to be way off, and I can't compete with other sellers. I just don't see how I am ever going to make money on this.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 6/20/2024, 2024
Westmont, Illinois



Luke Rotta

•



[Status is reachable](#)

[Deivydas Klimas](#)

1st degree connection: 1st

🚀 \$10M+ Sales Leader | Remote High-Ticket Service Provider or Closer | Closing Rate Below 30%? Show-Up Rate Below 80%? Fix It Now! DM Me! 🚀

- NOV 28, 2023 Deivydas Klimas sent the following messages at 4:36 PM



[View Deivydas' profile](#)

[Deivydas Klimas](#) 4:36 PM

Hi Luke,

Impressed by your profile as Manager, SRE and Observability—impressive stuff!

😊 I'm all about forging meaningful connections, and I think there might be some exciting collaboration opportunities between us. What do you say we connect and explore?

Best regards,

David

- NOV 29, 2023



[View Deivydas' profile](#)

[Deivydas Klimas](#) 10:56 AM

Hey Luke,

Hope this message finds you rocking your day! 

Quick question: Ever thought about turning your hustle into an Amazon success story? I'm with a US-based Amazon FBA powerhouse, and we've got the recipe for turning dreams into dollars – all while you do your thing.

Imagine a business that scales on Amazon while you focus on what matters most to you. Ready for the details on how to make it happen? Let me know, and let's explore the possibilities!

Cheers to your future Amazon success!  

- NOV 30, 2023



[View Deivydas' profile](#)

[Deivydas Klimas](#) 10:59 AM

Hey Luke,

Hope your week is off to a fantastic start!

Quick follow-up from my last message – I've got an incredible Amazon opportunity on the table that's too good to miss. Picture this: Your own business on [Amazon.com](#), hassle-free and ready to roll. What do you say? Ready to dive

into the details?

Let's turn this idea into your next big venture – what do you think?

Cheers to new beginnings!  



[Amazon.com. Spend less. Smile more.](https://www.amazon.com)

[amazon.com](https://www.amazon.com)

- DEC 1, 2023



[View Deivydas' profile](#)

Deivydas Klimas 11:03 AM

Hey Luke,

Hope you're having an awesome week!

Just circling back because your thoughts on this could be a game-changer!  I totally get it if things have been hectic – whenever you're ready, I'm here to chat about this exciting opportunity.

Looking forward to hearing your thoughts!

Cheers to possibilities! ☀️ 😊

- Luke Rotta sent the following message at 1:14 PM



[View Luke's profile](#)

[Luke Rotta](#) (He/Him) 1:14 PM

Hi David,

I'm open to chatting about the services you offer. I do have a few side gigs in mind however not sure if they are worthy a solution like yours.

-Luke

- Deivydas Klimas sent the following messages at 1:31 PM



[View Deivydas' profile](#)

[Deivydas Klimas](#) 1:31 PM

That's great! Curious to know if you're brand new to the platform?



- [View Deivydas' profile](#)

[Deivydas Klimas](#) 1:42 PM

Feel free to schedule a call via the link below:

<https://linkedin.thefbamachine.co/>

[Home](#)

[linkedin.thefbamachine.co](#)

- DEC 8, 2023



[View Deivydas' profile](#)

[Deivydas Klimas](#) 11:32 AM

Hi Luke, do you have any availability next week on Monday, Tuesday by any chance?

- DEC 10, 2023 Luke Rotta sent the following message at 8:27 AM



[View Luke's profile](#)

[Luke Rotta](#) (He/Him) 8:27 AM

Hi David,
I scheduled some time for Thursday.

-Luke

- DEC 11, 2023 Deivydas Klimas sent the following messages at 10:19 AM



[View Deivydas' profile](#)

[Deivydas Klimas](#) 10:19 AM

Hi Luke,

That's great! Wes, our senior advisor, is eager to guide you through all the details. Before our scheduled call, Tia will reach out to provide some additional insights, ensuring our discussion is tailored to your needs and worth your time.

From: [Wes W](#)
To: [REDACTED]
Subject: Pleasure Meeting Speaking With You
Date: Thursday, December 14, 2023 3:09:15 PM

Hi Luke,

Great speaking with you earlier today. I look forward to meeting with you again later this evening. Below is some additional information for you to review prior to the call. Let me know if you have any questions between now and then.

Website: <http://thefbamachine.co>

Instagram: Kingofamzn

YouTube Channel: <https://www.youtube.com/@thefbamachine>

Facebook: [The FBA Machine | Facebook](https://www.facebook.com/thefbamachine)

Testimonial videos:

<https://vimeo.com/703041375>

<https://player.vimeo.com/video/456438581>

<https://player.vimeo.com/video/441218558>

<https://vimeo.com/741976441/9da14307de>

<https://player.vimeo.com/video/441515113>

<https://youtu.be/QmYIjiUvQbQ>

<https://youtu.be/GztCUB1hDhw>

<https://youtu.be/lzocofJWm7c>

https://youtu.be/ZLL_6EKB9M4 (this one shows the platform)

Thank you,

--
Wes Waring

c. 201-[REDACTED]



<https://thefbamachine.co/>
YouTube.com/@thefbamachine



90 DAY ACCELERATOR

Amazon's Third Party Seller Market

- **> 58% of units** sold on Amazon come from third-party sellers.
- More than half have profit margins above 15%
- Average annual revenue for Amazon third-party sellers is roughly **\$160,000**.
- **37%** of sellers saw profit in 2022
- The top 10,000 third party sellers on Amazon have an average seller rating of **95.46%**.
- **73%** of new Amazon sellers are utilizing FBA.
- 55% make more than \$5000 per month in sales

Just 90 Days From Today



You Could Have A Fully Automated Amazon Business In Your Name
And Make Your First **\$10,000 in Revenue**

- There is a little known but powerful system that is now being used by people just like you to earn passive income on Amazon.
- It's the same secret over 750 students and clients have used to scale their ecommerce business...
- Become experts in the Amazon reseller space and ultimately to 7-figure sellers...
- Without endless stretches of research on what to sell, how to sell and for whom to sell.

Why choose us?

- Over 9 years of experience
- Product Research Tools
- Proper Product Positioning
- Financial Planning

Peter's Story

(click the arrow below to play video)



PX30

Peter

PROBLEM

Peter had more issues and concerns on how to make passive income without sacrificing what matters. He had a nasty experience with another agency and thought a successful Amazon business is a myth.

SOLUTION

Peter joined TheFBAMachine Accelerator Program- enrolled for our wholesale course, got connected with a team of experts and automated his store with our proprietary software. He made sales right off the gate...

- He hit 5 figure mark.
- A clean and healthy account.
- 486 Ipi score
- \$75k Revenue Month
- \$10,000 PROFIT Months

001838

Steven's Story

(click the arrow below to play video)



Steven

PROBLEM

Inconsistent sales, lack of an automated process and trial and error. He had a plan but didn't know how to make it work in the fierce marketplace.

SOLUTION

Steven joined TheFBA Machine Accelerator Program- within 90-days of joining, he was able to profitably scale his store to \$70k/month passively.

Devante' Story

(click the arrow below to play video)



PX30

Devante Bond

PROBLEM

Devante is a successful athlete looking for a passive income stream. He likes the concept of making daily income but doesn't know how to go about it.

SOLUTION

Devante joined TheFBAMachine Accelerator program. The team scaled his store, connected him with Reo(his Virtual Assistant) and made him a profitable store

Devanted was so excited about his new business he had to hop on a call with me.

001840

This is not private label....

Where you create a new brand and having it manufactured by your own specifications.

NO PRODUCT DEVELOPMENT COSTS !

NO ADVERTISING!

NO MARKETING!

NO FREE GIVEAWAYS ARE NEEDED!

Discover The Profitable Amazon Business Model That Made Us

Over \$120M In Combined Sales!

We're talking wholesale model here.. You buy from established brands/vendors and distributors, at a discount and sell on the biggest marketplace in the world. This is quicker to set up and the risk involved is minimal.

YouTube.com/@thefbamachine



About Steven Rozen

- Goes by Instagram handle as the **King of Amazon.(Kingofamzn)**
- Spent the last 8 years doing Amazon wholesale.
- Helped manage and oversee his own **\$120m** in sales on Amazon
- Assisted more than **750** clients unlock a consistent passive income on Amazon.
- Also, the creator of **TheFBAMachine Accelerator program**

Introducing...

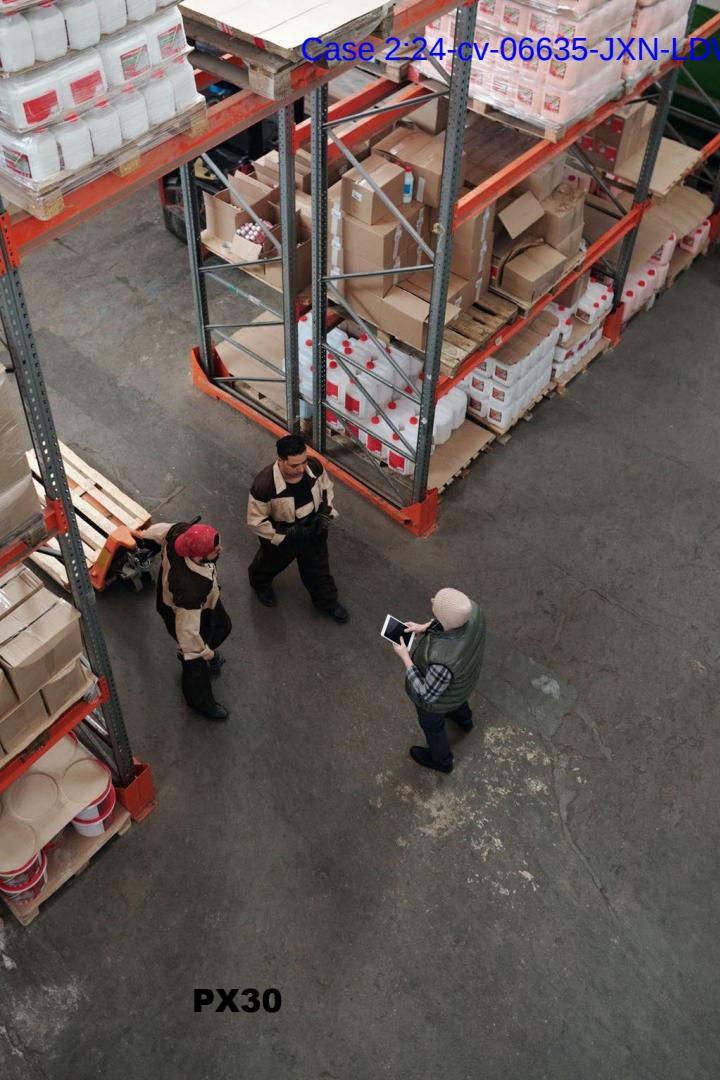


Accelerator Program

The Most Comprehensive Program To Create, Run, And Grow Your Amazon Wholesale Business.

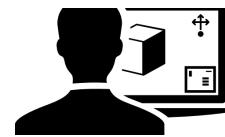
The only program that will take you from a novice to an Amazon experts within the shortest period with bite-size modules, instructional resources, tools and experts.

This program will give you trade secrets, best practices, access to distributors, warehouses and a team of experts to help with the heavy lifting and the daily moving parts



TheFBAMachine Accelerator Program Is The Only Implementation Program That Will Take You By The Hand And Lead You To automate Everything for your Amazon Wholesale Business !

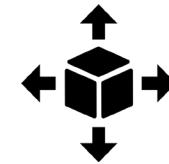
This is what you'll get when you enroll for TheFBAMachine Accelerator Program:



The Wholesale
Course



TheFBAMachine
Team/Virtual
Assistants



Distribution and
Access to Top Brands
in the US



Sales Support
Software



One-one and
group coaching



Warehouse
Automation
001844

The Wholesale Course Summary



This is dramatically different from everything you've ever seen because this is not just another course. What you're getting is a leverage for creating massive success on Amazon.

With it, you'll be able to stop the guesswork by relying on expertise, teams, resources, techniques, blueprints to create, manage and grow stores worth bragging about.

PX30

This is what you get when you enroll for **TheFBAMachine Accelerator program**

- Complete Guide to getting started and SETUP with every essential to reach your first 10k in sales within 90 days!
- 30+ videos of Advanced and well kept secrets of 7-figure sellers!
- Over 40 hours of training dissecting the science and art of selling on Amazon!
- Fool-proof strategy of creating an Amazon store optimized for success!
- Advanced Linkedin techniques of contacting suppliers and distributors; email templates, phone scripts, negotiation tips and getting deep discounts
- The Ultimate guide for pricing your product and selling above the competition
- Highly guarded secrets of product research; Makes you 100% more efficient than other new sellers

001845



Advanced LinkedIn Tactics for Partner Exclusives

Finding Exclusive Manufacturers and Distributors :

Suppliers play a core role in the success of your Amazon business. You'll learn :

- The most important thing you must do to cultivate good relationships with your suppliers!
- The one thing to do to get deep discounts from suppliers to reduce your order cost.
- The exact script, templates, blueprints and LinkedIn Automations to overcome objections to land the most profitable vendors
- Advanced vendor negotiations for Exclusivity deals!

Direct Access to Profitable Distributors/Vendors and Manufacturers

PX30

Choosing the right distributors will save you from unnecessary headache and stress. You'll get ;

- Top US brands and distributors deals
- Fast Setup - 24-48 hour Account set up
- Favorable Payment terms including credit card and NET 30
- Daily Delivery Free of Charge
- One-of-kind order fulfillment experience
- Access to our fully automated warehouses(eight in the U.S alone)

Ungating

If you need approval from Amazon to sell products in different categories, we're here to assist. Ungating opens new opportunities for sellers to sell some specialized goods and make more profit.

001847



Your own Virtual assistant

Over the course of 90 days, we'll connect you with your dream team that will work around the clock to give you a profitable store.

We have three different teams to assist with the heavy lifting and other moving parts.

- ❖ Account set up team
- ❖ Ungating team
- ❖ FBA buying

These teams will work with you, give you all the support you'll ever need and work on your store 24/7

Single Software Set up with

The logo for Sales Support features a bar chart icon to the left of the text "SALES.SUPPORT" in a bold, sans-serif font. The "S" in "SALES" and the "S" in "SUPPORT" are capitalized and have a bold, black, sans-serif appearance. The ".SUPPORT" part is in a smaller, regular black font. A blue horizontal line is positioned below the text.

SALES.SUPPORT

PX30

Apart from the course and the team, you also need a powerful software to automate your workflow, manage your inventory and your new business as a whole. And that's where Sales Support comes in.

Here is an overview of the tools made for you for smooth running of the business

01  A silhouette of a person carrying a box on their shoulder. Supplier Management	02  A silhouette of a person looking through a magnifying glass at a chart with a percentage symbol. Product Research Analyzer	03  A silhouette of a large truck. Shipment Consolidation	04  A silhouette of a bar chart with a line graph above it. Sales & Profit Analysis
05  A silhouette of a computer monitor with a signal icon above it, connected to a warehouse rack. Warehouse Automation	06  A silhouette of a person standing next to a grid of boxes. Inventory Manager	07  A silhouette of a dollar sign inside a circular arrow. Reimbursements	08  A silhouette of a circular arrow with a dollar sign inside. AI-Powered Repricing Tool

3 Months Free(**\$300 value**)when you enroll for
TheFBAMachine Accelerator Program **001849**

Inventory Management

Efficient management of your inventory can help you in the direct direction and help in your business growth. We teach you how to;

- Manage inventory efficiently
- Keep tracks of all your products
- Use our advanced method for inventory replenishment Inventory management software
- Manage suppliers with software
- Replenishment strategies
- Use repricers to increase your listing pricing
- Consolidate your shipments
- Improve your inventory health and achieve great IPI scores

There's more....

**PX30****001851**

3PL Warehousing – Automated

8 different warehouses to help you ship your products faster, easier and more automated. This improves your lead time efficiently and effectively

We do this so you can start selling building your store from the first day and because it gets overwhelming new sellers.

We help you receive, prep and ship your products to Amazon and do the heavy lifting including:

- Polybagging
- FNSKU Labeling
- Bubble wrapping
- Bundling
- Storage
- Palletizing

You also get these Bonuses without any extra cost



Bonus #1 (value \$2,500) Live group coaching calls with Steven. You can ask any question about Amazon wholesale business.



Bonus #2: (Value \$2000) One-on-one call with Steven and interactive guest training with experts and 7-figure store owners



Bonus #3 (Value \$300/month) Three free months of sales.support platform



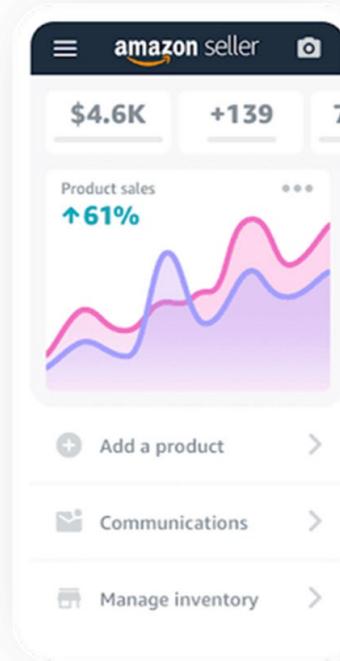
Bonus #4 (Value \$1000) Premium placement with pre-vetted virtual assistant



Bonus #5 (Value \$2500) Access to our pre-approved suppliers list so you can start growing your store ASAP

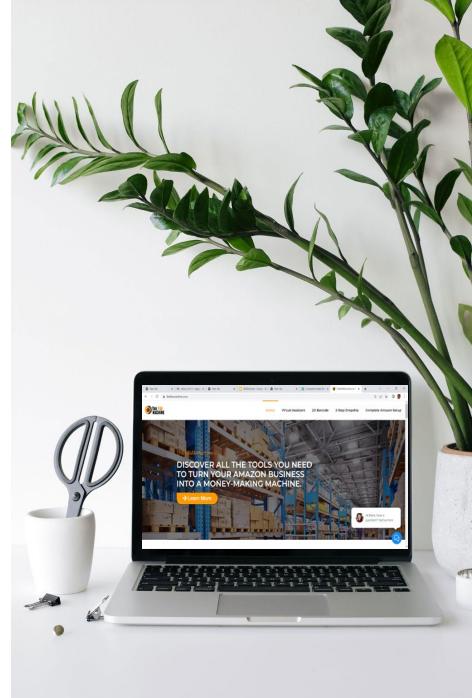
DISCLAIMER

- Please understand we can not promise you a specific result.
- We're not implying you'll make a fortune right off the bat.
- However, this program can give you a EXPEDITION into the world of Amazon wholesale...
- Give you insights, blueprints, techniques and everything you need to create, manage and grow a store on Amazon.
- This same program has helped numerous students become Amazon sellers in as little as 90 days



theFBAmachine.co portal login

To improve your experience as a store owner. We've built a custom portal where you can keep a central location for all information and statistics regarding your place in our program.



PX30

001854

We stand by our Guarantee

We **guarantee** our team will get your store to **\$10K** in **90 Days** or else; we continue working for free until you do.

Invitation to join TheFBAMachine Done-for-You Program.

TheFBAMachine done-for-you program is designed to give you a fully automated Amazon business so that you can make passive income on Amazon without lifting a finger.

Here's a chance a selected few to grow their Amazon business from 0 to 7 figures in the shortest possible period.

This is an invite only program for qualified people to leverage on an existing blueprint to grow, manage and scale their Amazon business without any extra work.

To qualify, you must;

Complete TheFBAMachine Accelerated Program.



...When You Add It All Up...

The Training, Business Skills, & Support, The tools, The System, The Blueprint, The Script, The Template...

Worth thousand of \$\$\$

But Today You Get The Opportunity To Grab All of This...

Launch Price: \$8900

Additional Costs

Total for Inventory
\$5000+

Monthly Software Fee
\$99

Your personal VA
\$200+

Enroll in

THE FBA Machine Accelerator Program today

001857

Limited Seats Available!



PX30

001858



Connect with us.

For more information please contact

✉ info@thefbamachine.com

🌐 www.thefbamachine.co

From: [Wes W](#)
To: [REDACTED]
Subject: Re: Funding Steps
Date: Friday, December 22, 2023 6:10:29 PM

Hi Luke,

Everything looks good. Funding should take about 3 weeks. Below is the link for the refundable deposit. Again, please shoot me a screenshot once completed and we will get the funding team working on your case. They will most likely get most of your hard inquiries removed (if not all of them) between now and funding. It just makes for a much cleaner process. That said, please keep your Identity IQ account active until the funding process is completed. I can reimburse you for the first month's charge that will take place after 7 days.

Payment Link: <https://buy.stripe.com/4gw17x2iDes7fw47ss>

Also, please attach a copy of your Driver's License. The funding team will be asking for that as well.

Thank you,

Wes

On Fri, Dec 22, 2023 at 5:59 PM Luke Rotta <[REDACTED]> wrote:
Hi Wes,

Understood. Here's the info. Let me know when you are done so I can change the password and cancel the account before I get charged.

[REDACTED]

Sincerely,
Luke Rotta

On Fri, Dec 22, 2023 at 4:54 PM Wes W <wes@thefbamachine.com> wrote:
Hi Luke,

This is the platform we use to monitor your credit through the funding process. You can always change the password or cancel it down the road.

Thank you,

Wes

On Fri, Dec 22, 2023 at 5:38 PM Luke Rotta <[REDACTED]> wrote:
Hi Wes,

Working on this now. Why do you need the username and password?

-Luke

On Fri, Dec 22, 2023 at 4:26 PM Wes W <wes@thefbamachine.com> wrote:
Hi Luke,

Great speaking with you. The funding process works like this. It starts with the link below for IdentityIQ. This helps us view your credit score, figure out the best route to get you funding without affecting your credit score (no hard or soft inquiries).

STEP 1: Here is the link for IdentityIQ (the trial is \$1): https://enroll.identityiq.com/?offercode=431278E5&plancode=PLAN6X&transactionid=&aff_id=6&aff_sub=&aff_sub2=&aff_sub3=max&aff_click_id=&cart=true

STEP 2: After that, send me your **username** (which is your email), **password**, and **JUST** the last four of your social security number so that we can log in and assess your situation.

STEP 3: I will give you a call back and confirm funding timing. If you approve, we can do the \$1k refundable deposit that will ultimately be applied to the 5% banking fee.

Thank you,

--
Wes Waring

c. 201 [REDACTED]



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YouTube.com/@thefbamachine

--
Wes Waring
c. 201 [REDACTED]
[REDACTED]
<https://thefbamachine.co/>
YouTube.com/@thefbamachine

--
Wes Waring
c. 201 [REDACTED]
[REDACTED]
<https://thefbamachine.co/>
YouTube.com/@thefbamachine

From: [Luke Rotta](#)
To: [Wes W](#)
Subject: Re: Touch base
Date: Wednesday, January 10, 2024 1:15:02 PM

Hi Wes,

Understood and thanks for the info. My concern is more on how this was sold to me. The funding process was explained to me as revolving credit with zero interest through one bank. I was not under the impression I would be applying for credit cards at various banks and needing to deposit \$1,500 in each. Those credit cards will only get me zero interest for the first year. I'm questioning why applying for credit cards costs me \$3K along with all the deposits I need to make. That's a lot of money tied up not gaining any interest or putting to work in my business.

What value is FBA providing for the funding process? Had I known I would be using multiple credit cards, I probably could have done all this on my own or maybe avoided going the funding route altogether. \$3K is a lot to apply for a credit card which is a free process. I feel a little bit over sold on this part of the process, and I should be using this money to fund my business not opening up credit cards. Everything else has been great and I've enjoyed working with the team. What are my options from here?

-Luke

From: Wes W <wes@thefbamachine.com>
Sent: Wednesday, January 10, 2024 9:26:15 AM
To: Luke Rotta [REDACTED] >
Subject: Re: Touch base

Hi Luke,

I spoke with Reece. She really is the financial guru and knows the ins and outs of the process. She did not seem concerned with your funding. It just so happens you already have a business card with Chase (the first one we attempt to go after). She is going to give you a call hopefully by 1130 to walk you through the process and best options.

Thanks,

Wes

On Wed, Jan 10, 2024 at 9:32 AM Luke Rotta [REDACTED] > wrote:
Hi Wes,

I'm concerned about the financing part. It's not as it was described to me so I'd like to talk through it.

-Luke

From: Wes W <wes@thefbamachine.com>
Sent: Wednesday, January 10, 2024 7:45:01 AM

To: Luke Rotta [REDACTED]
Subject: Re: Touch base

Hi Luke,

Who are you working with currently on the setup?

Thank you,

Wes

On Tue, Jan 9, 2024, 10:26 PM Luke Rotta [REDACTED] > wrote:

Hi Wes,

Do you have some time on Wednesday to touch base on the onboarding process thus far?

Sincerely,
Luke Rotta

--
Wes Waring
c. 201-[REDACTED]



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From: [Luke Rotta](#)
To: [Melissa H](#)
Cc: [Erica R](#)
Subject: Re: Training and Sales Support
Date: Tuesday, April 2, 2024 11:49:02 AM

Noon works for me.

-Luke

On Tue, Apr 2, 2024 at 8:36 AM Melissa H <melissa@thefbamachine.com> wrote:
Hi Luke, thanks for your patience, those are good questions. I think it's better to give you a quick call today, can you let me know if you are free around 12 pm eastern time?

Melissa H.
c. (201) [REDACTED]

<https://thefbamachine.co/>
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On Sat, Mar 30, 2024 at 3:26 PM Luke Rotta [REDACTED] > wrote:
Hi Melissa,

I have a few questions.

1. When FBA Machine was sold to me I was told there was training. Is that the case? If so how do I gain access?
2. I was sent a text to login to an FBA Machine portal. However, it doesn't take me anywhere for me to login. Is there an FBA Machine portal?
3. I could use some training on sales support. It seems very expensive at \$100/mo just to show a few dashboards. I can't do much with it. Why is it so expensive? Do I have to use it?
4. How can I run forecasts on re-pricing to see how it would impact my profit?
5. Amazon has auto repricing is that something that we should be setting?
6. What's the status of adding another distributor?
7. Can we work with the distributor on pricing to be more competitive?

Sincerely,
Luke Rotta

	ASIN	UPC	Variation (Yes or No)	COST	Bundle Quantity	Bundle Cost	Supplier Case Qty/On Stock in ASIAN BEAUTY	ITEM Number	Item Number + Bundle Quantity	Supplier Product Description
	B004LLD6NW	070177173517		7.73	3	\$23.19	396	19605	19605-PK3	JP DCF ENGL
	B01IIGHS0W	853218000320		11.77	1	\$11.77	1000	297733	297733-PK1	Raspberry 30S
	B01M3ROY6C	790223100396		8.47	2	\$16.94	512	143127	143127-PK2	h C Liq 1000 - 1
	B013XBPIBS	027275400014		1.79	6	\$10.74	255	159235	159235-PK6	Sandal Tumerid
	B07JHCV1CN	867818000369		3.82	1	\$3.82	396	331284	331284-PK1	ate Squz Bottle
	B0052BRXHA	757645021425		4.36	6	\$26.16	378	19028	19028-PK6	O Choc Creme
	B00NPZJAP8	075050006012		3.77	3	\$11.31	900	242000	242000-PK3	I Stir Fry - 10OZ
	B0769336S2	780999003618		3.59	3	\$10.77	2574	1335223	1335223-PK3	Margarita - 750
	B001OI5XOU	831060002419		5.58	1	\$5.58	264	1331743	1331743-PK1	el Silver Biotics -

Amazon Product description	Sell Pack	BUY	EST. SALES MONTHLY	BUYBO X PRICE NEW \$USD	NET PROFIT \$USD	Roi%	Estimated PO Cost	Estimated Revenue	Estimated PO Profit	Minimum Price
a - Lively and Colorful, New Form	12	36	2,181	\$ 53.67	\$ 7.88	34%	\$278.28	\$644.04	\$ 94.55	\$ 47.13
min C with Real Filled Choco	12	12	24,780	\$ 23.49	\$ 3.49	30%	\$141.24	\$281.88	\$ 41.84	\$ 20.77
min C with Real Filled Choco	12	24	194	\$ 31.50	\$ 2.64	16%	\$203.28	\$378.00	\$ 31.62	\$ 30.39
lly, Handmade, Non-GMO, Vegan-free, No Artificial Colors	12	72	1,022	\$ 21.60	\$ 1.13	11%	\$128.88	\$259.20	\$ 13.56	\$ 21.53
Stir Fry Oil 12	12	12	109	\$ 11.20	\$ 1.12	29%	\$45.84	\$134.40	\$ 13.49	\$ 10.39
gs Mixer Machine	12	36	180	\$ 44.71	\$ 2.96	11%	\$313.92	\$536.52	\$ 35.56	\$ 44.30
abs Silver Bid	12	12	113	\$ 26.99	\$ 3.37	30%	\$135.72	\$323.88	\$ 40.46	\$ 24.35
			107	\$ 26.99	\$ 2.13	20%	\$129.24	\$323.88	\$ 25.58	\$ 25.75
			103	\$ 13.12	\$ 1.08	19%	\$66.96	\$157.44	\$ 12.98	\$ 12.50
							\$1,443.36		\$ 309.64	

Maximum Price	# Total Offers	If Amazon is Selling	FBA Fee	Storage Fee	Complete FBA Fee	Commision PCT	Comm. Fee	INBOUND SHIPPING	Prep Fee
\$ 70.69			\$ 12.83	\$ 0.62	\$ 13.45	15%	\$ 8.05	\$ 1.10	
\$ 31.16			\$ 3.90	\$ 0.01	\$ 3.91	15%	\$ 3.52	\$ 0.80	
\$ 45.59			\$ 6.05	\$ 0.05	\$ 6.10	15%	\$ 4.73	\$ 1.10	
\$ 32.30			\$ 5.37	\$ 0.02	\$ 5.39	15%	\$ 3.24	\$ 1.10	
\$ 15.59			\$ 4.55	\$ 0.01	\$ 4.56	8%	\$ 0.90	\$ 0.80	
\$ 66.45			\$ 7.49	\$ 0.29	\$ 7.78	15%	\$ 6.71	\$ 1.10	
\$ 36.53			\$ 7.08	\$ 0.08	\$ 7.16	15%	\$ 4.05	\$ 1.10	
\$ 38.62			\$ 8.68	\$ 0.26	\$ 8.94	15%	\$ 4.05	\$ 1.10	
\$ 18.76			\$ 3.68	\$ 0.01	\$ 3.69	15%	\$ 1.97	\$ 0.80	

From: [Melissa H](#)
To: [Luke Rotta](#)
Subject: Re: Shipment Invoice Approved
Date: Friday, April 19, 2024 4:11:29 PM
Attachments: [image.png](#)
[image.png](#)

Sounds good. The mustard is repriced, so we have set the selling price at \$22.99, let's see how it goes over the weekend. Thank you for your understanding and flexibility, Luke! I'll send you the meeting invite for Monday, 3 pm EST.

Have a great weekend!

Melissa H.

c. (201)



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On Fri, Apr 19, 2024 at 11:14 AM Luke Rotta <[REDACTED]> wrote:

Hi Melissa,

Thanks for all of the information. I really appreciate it. I'll do some digging into the pricing. At least for the mustard it seems we should wait for the competitor to sell out. Otherwise, I'm selling it at a loss which doesn't make a lot of sense to me. Rescheduling for Monday would be best for me. I'm available 11am-12pm EST, 1pm-2pm EST, and after 3pm EST.

Sincerely,
Luke Rotta

On Fri, Apr 19, 2024 at 12:51 PM Melissa H <melissa@thefbamachine.com> wrote:

Hey Luke, good day! I understand that you have been waiting for the meeting with Steve, and I truly apologize for any inconvenience. Unfortunately, he requested to reschedule our meeting to Monday or Tuesday, same time. If not, we will do our best to accommodate our schedule at another suitable time.

Anyhow, I'll try to answer some of your questions on the email above.

Buy box prices fluctuate every day, to know more on this, I suggest you download the [Keepa](#) tool and subscribe to it, so you can automatically track prices and history for every listing on Amazon.

This will also come in handy on the meeting with Steve.

If you refer to Net proceeds on your payment section, this is also considering different fees charged on Amazon. However, reviewing the mustard ASIN we purchased this around March, when the BBP had an average for \$27 dollars, if we go back in time, the price has been stable. That is why Erika has been repricing the item to catch some sales even with the drop on the selling price.



If we review the competition, we can wait for the Buy box holder to sell out, and increase the price up to \$24 - \$25.

New	\$15⁷⁴ (\$0.74 / Ounce) Typical price: \$27.87	FREE delivery Wednesday, April 24 on orders shipped by Amazon over \$35 ... More
Ships from	Amazon.com	
Sold by	LR Cubed LLC New Seller	
Customer Service	Amazon	
Stock	12 (revealed by Keepa)	
New	\$15⁷⁵ (\$0.74 / Ounce) Typical price: \$27.87	\$11.19 delivery April 25 - 29 . Details
Ships from	Santara Retail	
Sold by	Santara Retail ★★★★★ (8 ratings)	
	100% positive over last 12 months	
Customer Service	Santara Retail	
Stock	1 (revealed by Keepa)	
New	\$27⁹⁹ (\$1.32 / Ounce)	FREE delivery May 6 - 21 . Details ... More
Ships from	AmazValue Global	
Sold by	AmazValue Global ★★★★★ (60 ratings)	
	67% positive over last 12 months	
Customer Service	AmazValue Global	
Stock	224 (revealed by Keepa)	

To keep track of your inventory, you can use sales.support as well the email notifications they send you once received, cross-matching with KeHE invoices and your shipments on Amazon. Sales.support is a tool that can help you summarize your inventory, sales and shipments in your Amazon store history.

Also, to get better prices, you can contact our sales representative on keHE. Here is her contact information

Erica Miller
Sales Specialist

erica.miller@kehe.com

Once again, I truly apologize for the inconvenience, I look forward to your reply to reschedule our meeting.

Thank you!

Melissa H.

c. (201) [REDACTED]



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On Thu, Apr 18, 2024 at 4:43 PM Luke Rotta [REDACTED] > wrote:
Hi Melissa,

My questions are the following.

1. How do buy box estimates go down \$2 in the time between the PO and listing on Amazon?
2. Why is the mustard in my second PO selling for \$10 less than the estimated buy box price in the PO?
3. How do I get to positive net proceeds? I understand Amazon shows positive revenue but it's negative profit or net proceeds thus far.
4. How's tracking shipment a to make sure what was sent is what Amazon received from the FBA Machine.
5. How do I get cheaper prices from the distributor?
6. What's the status on my second distributor?
7. Where are the FBA Machine shipping costs in the PO?
8. Why is sales support \$99/month?
9. I'm not at \$10,000 in revenue within 3 months which is what the FBA machine sales pitch suggests. Why is that?
10. How do I grow my Amazon business and have positive net proceeds of at least \$2,000/month?
11. What did the \$6,900 signup fee go towards.

So far I've invested \$10,000 into this business and I've not made \$1. I need to have positive cash flow and recuperate my investment at least. Can you help me accomplish that?

-Luke

On Thu, Apr 18, 2024 at 1:58 PM Melissa H <melissa@thefbamachine.com> wrote:
No worries Luke, thank you for bringing this questions up.

Selling price is added from the BBP on the listing, however, it may vary since there are other sellers on FBM model. We have FBA benefit, which we go over some of those sellers even if we are a New Store or higher price.

Here is what I see on the revenue calculator for this ASIN

Amazon Fulfillment X

Item price	\$ 55.95
Amazon fees \$8.39 ▾	
Referral Fee	\$8.39 ⓘ
Fixed Closing Fee	\$0.00
Variable Closing Fee	\$0.00
Fulfillment cost \$5.92 ▶	
Storage cost \$0.15 ▾	
Monthly storage cost per unit	\$0.15 ⓘ
Average inventory units stored	1
Estimated monthly units sold	1
Storage cost per unit sold	\$0.15
Inbounding Cost (Effective March 1, 2024) \$0.00 ▾	
Estimate the FBA inbound placement service fee for this product based on the following inputs. FBA Inbound placement service fee help page	
Units to Inbound	1
Inbound placement options	
Minimal shipment splits Partial shipment splits Amazon optimized shipment splits	

Inbound placement options

Minimal shipment splits Partial shipment splits Amazon optimized shipment splits

Number of locations	4+ <input type="button" value="▼"/>		
Total FBA inbound placement service fee	\$0.00		
FBA inbound placement service fee per unit	\$0.00		
Estimated shipping cost (per shipment)	\$ <input type="text"/>		
Shipping cost (per unit)	\$0.00		
Other costs \$34.07	<input type="button" value="▼"/>		
Miscellaneous cost	\$ <input type="text"/> 1.10		
Cost of goods sold	\$ <input type="text"/> 32.97		
<input type="button" value="Save"/> <small>ⓘ</small>			
Fee discounts	\$0.00		
Taxes on fees	<small>Click to load</small>		
Cost per unit <small>ⓘ</small>	Estimated sales, 30 days	Net profit	Net margin
\$48.53	1	\$7.42	13.27%
Learn more about the program			

It is important also, the BBP fluctuates, that is why the NET profit is an estimation. If we want to compete, we need to reprice accordingly to competition. Let take this example

<p>New</p> <p>-11% \$46⁵⁰ (\$42.66 / Ounce) Typical price: \$51.99 ⓘ ▼ See more</p>	<p>FREE delivery April 24 - 26. Details</p>
<p>Customer Service Stock</p>	<p>Amazon 13 (revealed by ⓘ Keepa)</p>
<p>New</p> <p>-10% \$47⁰⁰ (\$43.12 / Ounce) Typical price: \$51.99 ⓘ</p>	<p>FREE delivery April 24 - 26. Details</p>
<p>Ships from Sold by</p>	<p>TaylorEcom TaylorEcom New Seller</p>
<p>Customer Service Stock</p>	<p>Amazon 1 (revealed by ⓘ Keepa)</p>
<p>New</p> <p>-5% \$49²¹ (\$45.15 / Ounce) Typical price: \$51.99 ⓘ</p>	<p>FREE delivery Tuesday, April 23. Order within 9 hrs 13 mins ... More</p>
<p>Ships from Sold by</p>	<p>Amazon.com TheNewMall ★★★★★ (307364 ratings) 97% positive over last 12 months</p>
<p>Customer Service Stock</p>	<p>Amazon 1 (revealed by ⓘ Keepa)</p>
<p>New</p> <p>\$50¹⁹ (\$46.05 / Ounce)</p>	<p>FREE delivery April 23 - 26. Details</p>
<p>Ships from Sold by</p>	<p>Spero Goods Spero Goods ★★★★★ (2756 ratings)</p>
Right now, your selling price is \$55.96, and the BBP is \$46.90. We can see the BBP has 5 units	

on stock, and the next competitors on the list are also between \$47 - \$50 with stock under 15 units. With Keepa tool we can estimate these are going to be sold in 2 - 3 weeks tops, leading us to sell on the BBP at \$55.95 if other sellers doesn't lower the price.



However, I would prefer to go over this live on our meeting tomorrow. It will be so much more dynamic and helpful than trying to figure it out on screenshots and text.

I suggest writing down your questions, and we can go over them one by one!

Melissa H.

c. (201) [REDACTED]



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On Thu, Apr 18, 2024 at 10:19 AM Luke Rotta [REDACTED] > wrote:
Hi Melissa,

This is very helpful. The terms in the PO don't match the terms in Amazon so I was confused. Now it's clear to me.

One thing that isn't lining up though is the shipping cost. The FBA Machine charged me \$132 for labeling and shipping my first PO. If I look at the shipping cost in the PO it only adds up to a few dollars. Where is the \$132 FBA Machine cost in the PO?

How is the buy box price determined? The buy box price in both my POs seem to be way off. On the order of \$2-\$10 to high. Once adjusted for the actual price they sold at the profit margin is negative. Why are the buy box estimates so far off?

It seems almost impossible to make any money unless the purchase price for Kehe is at least 30%. When I put the cost of goods into the sku economics why does it show a negative number for net proceeds when the revenue calculator shows a profit? Look at the whey protein for example.

I just listed: Ascent Native Fuel Whey Protein Powder - Vanilla Bean - 15 Single Serving Packets, for \$55.95 via @amazon
https://www.amazon.com/gp/product/B01MR9GER7/ref=cx_skutr_share?smid=A20Y9EL0FRE3NP

Item price	\$	55.95	
Shipping credits	+ \$	0.00	
Total price	= \$	55.95	
Amazon fees	- \$	8.39	>
Fulfillment fees	- \$	5.92	>
Storage cost	- \$	0.05	>
Shipping to Amazon Your cost estimate	- \$	0.00	
Cost of purchase	- \$	32.97	
Other costs	- \$	0.00	
Your profit	= \$	8.62	
Net margin	=	15.40%	
Long-term storage fee		\$0.00	

FBA prep fee	\$0.00
FBA removal order fee	\$0.00
FBA disposal order fee	\$0.00
Per-item selling fee	\$0.00
Closing fee	\$0.00
Sponsored Products charge	\$0.00
Inbound transportation charge	-\$17.04
Refund administration fee	\$0.00
Deal fees	\$0.00
Coupon redemption fee	\$0.00
Returns processing fee	\$0.00
Total off-Amazon cost	-\$32.97
Cost of goods sold x Units sold -\$32.97 x 1 = -\$32.97	 Update
Miscellaneous cost x Units sold \$0.00 x 1 = \$0.00	 Update
Net proceeds	-\$8.60

-Luke

On Thu, Apr 18, 2024 at 10:29 AM Melissa H <melissa@thefbamachine.com> wrote:

Hi Luke, thanks for the patience, it has been a busy week! Apologies for the concerns, this is something we went over on the po review a while back, however it is great that you are getting involved in it. Let me try to explain a little bit more on it.

Z	AA	AB	AC	AD	AE
FBA Fee	Storage Fee	Complete FBA Fee	Commision PCT	Comm. Fee	INBOUND SHIPPING
\$ 6.05	\$ 0.05	\$ 6.10	15%	\$ 2.85	\$ 0.80
\$ 7.40	\$ 0.10	\$ 7.50	15%	\$ 2.51	\$ 0.80
\$ 4.15	\$ 0.01	\$ 4.16	15%	\$ 4.92	\$ 1.50

At the right on the first po, you can see:

FBA Fee (Fulfillment by Amazon, scanning, organizing, customer service, shipping, advertising and overall handling your products)

Storage Fee (Amazon warehouse space fee, depends on cubic weight)

Complete FBA Fee (FBA Fee + Storage Fee, for our formula purposes)

Commission percentage (It vary from categories, it can go from 8% to 15%)

Commission Fee or Referral Fee (Selling on Amazon Marketplace fee, using our selling price * percentage)

Inbound shipping fee (Prep and shipping from our warehouse, this fee is also calculated in the po and included on your net profit)

O	P	Q
BUY	BUYBOX PRICE NEW \$USD	NET PROFIT \$USD
88	\$ 18.99	\$ 1.12
88	\$ 16.73	\$ 2.40
112	\$ 32.78	\$ 4.88

Above, you can see the formula used to calculate profit per item, includes:

BuyBoxPrice - (Complete FBA fees + Comm Fee + Inbound Fee) - Cost price

Cost from each unit is from the KeHE catalog, directly from the distributor. Below you can see, the bundle cost is unit cost*bundle quantity. Meaning, if Amazon listing is a 4 pack, we multiply the unit cost times how many units we need to prepare to ship.

	E	F	G	H
	Variation (Yes or No)	COST	Bundle Quantity	Bundle Cost
56		8.12	1	\$8.12
02		3.52	1	\$3.52
77		4.33	4	\$17.32

You can also calculate Amazon fees and revenue with the Revenue calculator from Amazon:

https://sellercentral.amazon.com/hz/fba/profitabilitycalculator/index?lang=en_US

Regarding sales.support charging method, I'll direct these questions to another department and let you know asap.

I hope this can help to clear some doubts, and feel free to email any other questions.

Thanks!

Melissa H.

c. (201)



<https://thefbamachine.co/>

YouTube.com/@thefbamachine

On Thu, Apr 18, 2024 at 7:26 AM Luke Rotta [REDACTED] >
wrote:

Hi Melissa and Erica,

Can you answer my questions?

-Luke

On Mon, Apr 15, 2024 at 4:42 PM Luke Rotta [REDACTED] >
wrote:

Erica and Melissa,

I need to understand the shipping/labeling I'm being charged for. I don't see these costs in the PO anywhere and the costs have added up to almost \$300 already. This is unexpected.

If you look at my first PO I only see a FBAFee of small dollar amounts. What's CommPCT and CommFee? Are those for Amazon?

@Vendor					@3PL						
Total Ordered		288 Units, \$1909.28		Total Received		310 Units, \$1921.28		Total Received			
Total On Invoice		226 Units, \$1239.20		Total Shipped		338 Units, \$2057.68		Total Reimbursed			
		Total Pending		28 Units, \$136.40							
Profit	Margin	FBAfee	ComPCT	ComFee	OFFER	FBA	FBM	ITEM ID	Vendor Credit	Notes	Corrective Action
\$0.57	7.02%	\$6.28	\$15.00	\$2.44	32	12	20	157631900912	\$0.00	✓ N/A	✓ N/A
\$1.95	55.40%	\$7.81	\$15.00	\$2.95	18	9	9	157631901012	\$0.00	✓ N/A	✓ N/A
\$5.18	29.91%	\$4.32	\$15.00	\$5.79	11	3	8	157631901112	\$0.00	✓ N/A	✓ N/A

For my first PO I was then charged 132.11 for shipping and labeling. Where are these costs in the PO?

01302024_LUKE	FBA17PNQ81XC	LR_1_29_2024_ABE8	2	26	\$17.06	Jan 30, 2024 04:04:27	Mar 03, 2024 06:00:00
01302024_LUKE	FBA17PNLDH16	LR_1_29_2024_AVP1	1	84	\$115.05	Jan 30, 2024 04:04:29	Feb 21, 2024 06:00:00

It's still very unclear to me as to what my actual costs are relative to my profit. It feels as though I have lost several hundred dollars on my first PO when the PO projected ~\$200 in profit.

1. The product itself
2. Lost/damaged product
3. The FBAFess(shipping/labeling/other/sales support/other)
4. The Amazon fees

Lastly, why am I being charged a credit card processing fee for the shipment/labeling invoices? Can I do ACH instead so I don't get charged this fee? There are so many fees involved in this process it almost seems impossible to make any money.

Sincerely,
Luke Rotta

On Fri, Apr 12, 2024 at 3:00 PM Luke Rotta [REDACTED] >
wrote:

Hi Erica,

I don't understand why these charges are for. I already paid shipping and labeling and was charged \$132 for that. I didn't know there was a credit card surcharge either. Can I pay with a different method? Why am I charged for labeling and shipping? Also this shows 90 items and Amazon only received 89 so that needs to be adjusted.

-Luke

----- Forwarded message -----

From: <info@sales.support>
Date: Fri, Apr 12, 2024 at 1:35 PM
Subject: Shipment Invoice Approved
To: [REDACTED]

Hi Luke Rotta!

Your shipment invoice with shipment id: FBA17PNDN802 has been approved. We will try to charge it within 5 days. You can review your invoice in attachments or view your invoice by clicking this [link](#).

Luke Rotta Meeting
Mon. Apr 22, 2024

0:00 - Melissa H

Yeah, so I've been explaining some of the things with Kifa and the pricing and stuff like that. But I think it's good because I think he hasn't met Steve yet. So I think it's good. But he has a lot of questions. So I asked him to download Kifa and add the extension. Well, let's see. Let's see what happens. So. So.

1:06 - Erica R

Hey there.

1:08 - Melissa H

How are you?

1:11 - Luke Rotta

Oh, we're doing good.

1:14 - Melissa H

Monday, so. Yeah, let's wait, let's wait. Hello, why can't we see you? Oh.

1:28 - Luke Rotta

I think. Oh, can you see me now?

1:33 - Melissa H

Oh, yeah. Nice. Nice. Uh, let me reach out to you. Um, so, um, from the, from the email from last week, uh, were you able to download Kipa and add the subscription?

1:52 - Luke Rotta

I haven't. Um, I need to pay for it, right?

1:55 - Unidentified Speaker

Yeah.

1:56 - Melissa H

That's something you gotta pay for. Yeah, it's a monthly subscription. For example, if you are looking to do some sourcing on your own or just to review the listings that we are adding on the POs, you can use Keepa and know the price history of the listing.

2:16 - Luke Rotta

But can't you use Amazon Seller Central to do that?

2:20 - Melissa H

Keepa is the tool that is going to give you more details on every product. Hey, Luke. Hey, Steve. Hey, Steve. Nice to meet you.

2:32 - Steven R

Hey.

2:33 - Melissa H
Hey, Erica.

2:34 - Steven R
Hey, Steve. Luke, have we met before? I think we met once.

2:39 - Unidentified Speaker
No.

2:39 - Luke Rotta
No?

2:40 - Steven R
I don't think so, no. No.

2:41 - Luke Rotta
Okay.

2:42 - Steven R
I think we spoke maybe. I don't know. Oh, maybe? Either to you or maybe just me speaking to Melissa about you. Probably.

2:52 - Melissa H
Probably that, yeah.

2:54 - Luke Rotta
Yeah, you can have one.

2:58 - Melissa H
Um, yeah. And then also Reese.

3:00 - Steven R
Yeah. So I guess that's what I figured we've met already like four times. Oh yeah. You probably just heard my name a bunch of times.

3:07 - Unidentified Speaker
Yeah.

3:08 - Steven R
Um, how you doing? Good. Yeah. You're at work? Yeah. I'm at, yeah, I'm at work. Yeah.

3:15 - Luke Rotta
Well, what do you do for your, for like your main thing? Um, I worked at a trading firm, uh, on the tech, uh, technology side. Cool. Do you, do you trade? Um, not really. I mean, I do some small things like with funds and stuff like that, but no, not actively trading. I don't have a lot of time to do that. Okay, cool. Yeah.

3:39 - Steven R
Cause this is, cause we're, well, we, I kind of consider it like trading what we do

with Amazon. Cause like you're trading commodities. Yeah, you are essentially.

3:49 - Luke Rotta

Yeah, and you got pricing involved and all that. Yeah. So yeah, very similar.

3:53 - Steven R

And then Melissa was just talking about KIPA, which is kind of like, you know, our stock graph. Okay.

4:02 - Luke Rotta

Yeah.

4:03 - Steven R

Have you used KIPA? I have not.

4:05 - Luke Rotta

I mean, I've seen the interface a little bit, but I've, I've not used it. I, and I think Melissa's showed it to me at one point, maybe in the process, but, um, yeah. I mean, if you guys think it's worth, uh, worth the investment?

4:20 - Steven R

It's only \$19 a month. It's definitely worth the investment. It's essentially a tool that we use to get the history of an item. You can look on Amazon and you can get the current information on it. But Keepa has like the lifetime information on a product. So that includes, you know, the previous price used to sell out. You know, what was the previous ranking? Right. Because we essentially it's good essentially for a test for like a new test run. Right. Because If you're buying something, you know, new, you want to kind of make sure that, you know, like we do test orders, but we do a lot of test orders. So like, essentially, if you don't use it for test orders, you know, a lot of your testers are going to come back, you know, not positive because, you know, it's a test. So we do it to try to kind of, uh, cut down on any bad tests. Right. Cause some things are just obvious. And we can see when something is obviously not good. And then even though it's a test, you know, we can see it's probably not going to end well, or we also see the risk. We also, you know, assess it and put kind of like a risk profile on the SKU as well, because, you know, it could be profitable right now, but based on the history, you know, what do we predict is going to happen with this SKU based on our prediction of what's going to happen? How many do we want to buy? Right. If we think maybe, you know, in the future it can go back to, what it came from in that case, you know, we may want to limit or, you know, obviously it affects our decision on how many we move forward with. Um, yeah.

5:57 - Luke Rotta

Okay.

5:58 - Steven R

Erica, do you have, um, do you have, um, do you have Kiva? Can we run through it with you on your screen? And then how many, so how many POs have you guys placed already?

6:10 - Unidentified Speaker
Two.

6:11 - Luke Rotta

Okay, cool. So that's been that's been super profitable yet, which I guess is just a little bit of a concern for me. But maybe we're just still trying to find the right products. So that's one thing I was trying to understand is how can I get in, in the black, you know, and hopefully, yeah, it's some good money off this stuff.

6:30 - Steven R

So it's gonna come down to the skews, right? So initially, you know, we can like there's no pill that we can take to kind of just put us in the black. But, you know, it's a matter of testing. And, you know, obviously, you know, you've had some tests seems like, you know, and at some point, you know, once you find a good collection of SKUs that are profitable, right, at that point, you can test and you're not going to be, you know, it's not going to weigh you down that much, right? Because right now, all you're doing is testing. Then obviously it's going to have a larger effect on the margin. You know, at some point, you know, when you have 10,000, 20,000 in recurring sales and then you test and then you lose on, you know, 20, 30 units, you know, it's not going to, it's not going to, you know, it's not going to affect you that much. But right now, you know, obviously if all you're doing is testing and all you've had is our negative tests or negative results, and obviously it's going to look like the whole thing just doesn't work.

7:30 - Luke Rotta

Right, I think and that's the that's a great explanation because that's kind of the exact scenario that I'm in right It's not that I don't know that it's not going to work. It's just like When or when or how do we make it work, right?

7:42 - Unidentified Speaker
Right.

7:42 - Steven R

How many skews have you guys purchased so far?

7:45 - Melissa H

Uh, I think we have five No, we've purchased more than we've purchased more than that though, right?

7:56 - Luke Rotta

I think we've purchased up to 10 at least I think Yeah, but right now I think we have three active. Yeah, there's only three active. Some, I think we're still waiting for Amazon to finish.

8:10 - Steven R

Yeah. So you're going to want to have a bigger sample size. Yeah. And then also, you know, it's a lot of, you know, once we, yeah, we can actually look at the items right now with the Keepa and then Um, and that'll help you get a better understanding on, you know, how do we move forward? But essentially, you know, there's, as you get like more sales and more tests, you know, there's ways on how

we can also improve the products altogether as well. So right now, what we do, usually we start with, uh, keep a key, which is a food distributor. Um, it's a great place to start for newcomers for a few reasons. You know, for a few reasons, one, it's, it, it's really quick to get on gated, um, with Kihei, you know, they, they work with, you know, any of our clients, like anyone we refer to them, they worked with us. Cause you know, I have a specific relationship and so they understand what we're doing and they're okay with it. So that allows us to get you inventory quick, get you access to a large distribution list. Cause they have, you know, a lot of different. You know, things in stock. And then at the same time, it helps us. So that allows us to get you understanding how everything works much quicker. Later on, you know, there's different levels of distributors, different types of distributors. And then obviously you have above distributors, you have manufacturers, which is like, you know, you're going above or around the distribution. And So it's just easier to work with distributors. Your margins are going to be a little bit less than working direct. But what we like to do is we'll start with the distribution and then based on what we see works really well, we can instruct the team to then pursue an account direct with the manufacturer. I see. So this way we could test from a large pool and then focus our efforts specifically on the products that are doing well for us, right? So if we, if we're selling something and, you know, but we're only getting like a 5% margin, which is relatively low and we want to increase it, we could then, you know, ask, you know, the VA and the team, Hey, can we just go direct? Um, you know, obviously it really depends, right? Because some people will open you, some people won't open you, but It's going to be a better attempt. At least we know if we do get it open that we'll have sales because we already have sales with it.

11:04 - Luke Rotta

Is there any way to get the price or get the margin better on the distributor side, beat them up a little bit?

11:16 - Steven R

Yeah, I mean, we could beat up anybody, you know, we could attempt to beat up anybody, right? So for sure, we could definitely try to negotiate terms. With Kihi, you can negotiate with the sales rep based on, you know, whether you want to do a volume purchase or you want to work directly with one brand. Either way, you can get, you can ask, we can always ask for a better price. Sure. Okay.

11:43 - Luke Rotta

But I think it's, we probably need to nail down the pro we first need to know what's like really selling and working first and then we can. Yeah, exactly.

11:52 - Steven R

We want to test, we want to test products and we want to this way, you know, because otherwise like, you know, if you're just going out there looking for products and an opening accounts and we don't know if it's going to work out, then, you know, it could, it could backfire and then we have nothing to, to go to the show for. So this allows us to kind of like, you know, make sure that we're not, you know, wasting our time. With the wrong people. Yeah. Yeah. Okay. Yeah. Um, Erica, do you still have the, are you able to, do you have a keyboard? I think Erica is free.

12:24 - Melissa H
Oh, she looks fresh.

12:26 - Steven R
She looks really just like working hard. I was like shimmering away at that screen.
Yeah.

12:34 - Melissa H
Oh, I think she looked, she's trying to log in from her phone, her PC. Oh yeah.

12:41 - Luke Rotta
that the I really want to be able to grow this and take this as far as I can take it. I'm in it for that, I'm in it for the long haul for sure. It seems like we've got to keep testing and find the right product set. I know we are having some troubles like getting things from Kihi like we put the order in and they don't they only fill it partially or not at all. Right. So we're also having some of those challenges. Yeah.

13:18 - Steven R
So typically the way based on the statistics that we see about half of an order that we place will get filled.

13:30 - Luke Rotta
Let me turn the light on.

13:36 - Steven R
Okay.

13:36 - Melissa H
So I'm trying to pull up the last PO, the one that we have with the mustard because I repriced it on Friday. Yeah.

13:44 - Luke Rotta
That one was kind of like just really, that one really stuck out to me because it was like, I don't know how it went from \$25 for a six pack down to 15. It was like a 45% discount.

13:56 - Steven R
Oh, that's something that we could see on Keepa, right? So and It can backfire sometimes, like if I wait until after the first, cause, but like for me, like I only learn, like a lot of times, like I learn, like when I've done something and then someone shows me like, you know, it was like, oh, okay. I, I get it now. Um, sometimes, you know, if we show you beforehand, you know, it doesn't, um, it doesn't stick as much. So yeah, no, I see what you're saying.

14:33 - Luke Rotta
Yeah. And I think like the more things, the more I see the process, the data and everything, the more. That now I understand or I have more questions right now I would not have known what to even ask beforehand.

14:47 - Steven R

Yeah and I mean I'm assuming you guys probably purchased a small quantity anyway so it's not gonna put a big dent if you even lose a few dollars on these units but more importantly you're getting ungated right now so that's the best thing. It's only until you reach a total lifetime sales of around 20 to 30 thousand At what point Amazon will just allow you to get ungated for like, just ask for it and they'll ungate it. Um, right now, you know, they want to see the invoices for every item. So that's why like right now you're in a phase where you just need to sell and just get more views, get build up the account. So either way it's, it's helpful.

15:28 - Luke Rotta

And what's this, what is the ungating do?

15:31 - Steven R

So Amazon will give anybody an Amazon account, right? Like you, if you come to them and you're like, Hey, like, you know, we're looking to sell counterfeit items and steal majority of your customers. They'll be like, all right, well, it's \$39.99 month and you can get an account, right? So they'll give anybody an account as long as you could verify your identity. But the way that they protect the, you know, the, the users is by restricting you to sell on certain SKUs and products. So, so, so you can get an account, but if you want to sell certain categories, you have to ask for permission and that involves submitting, you know, your receipts, invoices, things like that. That's kind of the team has been doing that for you already. I see.

16:16 - Luke Rotta

Yeah. So, so.

16:19 - Steven R

So in the beginning they look at all of your invoices, right? They'll look at it. You have to submit it, including pictures of the items. Um, so they'll look at it and then at some point, um, you know, they've looked at so much of your account and they see that you've been selling and you haven't had any complaints or any issues, anything like that. At some point, they just, you automatically, you just get automatic approval, right? So if you ask based on your performance history, you just get automatically approved. I see. So at a certain point, you'll hit that spot. And then when we ask to sell certain items from Amazon, it just says, based on your performance history, you're approved. So, you know, you're kind of in a stage where you're kind of building up the account right now. So it's pretty good. Melissa, so do you have access to the Evo?

17:10 - Melissa H

Yeah, I'm just seeing that by any chance, Luke, did you change something on the rules for the pricing? I remember you were asking before. I did not change anything.

17:22 - Luke Rotta

No.

17:27 - Melissa H
Let me share my screen. Yeah.

17:30 - Luke Rotta
I didn't change anything on pricing. Yeah.

17:32 - Melissa H
I remember placing a repricing to the 22 master. Yeah. Yeah. And it's showing me another price here.

17:42 - Steven R
So there's certain calls that I go through. And, you know, because I want to kind of go through the full process with you, right. Cause you have your, your vendors and product research phase where you're buying testing items. You'll have, you know, a phase where you have inventory and you kind of need to monitor it, make sure that your inventory is being managed. Um, and priced properly and it sells, sells through, and then you sell through it at that point, you want to make sure that you're replenishing. So those are kind of like the three different phases of having. Uh, you know, an Amazon business that you can scale and automate, right? Like, cause if you have those three phases and you have them automated to a team member or, and not be hands on with everything, have it just kind of run, right?

18:34 - Unidentified Speaker
Obviously.

18:35 - Steven R
you still may want to get involved once in a while and make sure that things are, people are actually doing what they're supposed to. But otherwise, you know, if you have those three, you have new products, new vendors, you have new orders, stuff is selling through and then people are reordering it for you. In that case, you're, you should be seeing growth and spending minimal time. Yeah. Okay. Yeah. So I'm, This looks really interesting.

19:07 - Luke Rotta
Yeah.

19:07 - Steven R
So we were reviewing this, this, uh, product last week. Yeah. When'd you guys buy it?

19:14 - Melissa H
Uh, let me see. I think it was the last one, but I don't know if this was in March. Yes. When do we place that PO, Erica? In March, right? End of March or something?

19:31 - Luke Rotta
Middle of March? Yeah, so it looks like in the March. So this is a Kiva graph.

19:39 - Steven R
So Luke, so if you get the, if you get the, the, you get the subscriptions, 19

bucks a month, you can download a Chrome extension and that Chrome extension, it pops up directly on your Amazon page like this. And so when, you know, so when people would send me a purchase order, I would go on, I would look at the Keepa. And I would decide if it's something I want to test, right. Because based on the test, I can already see a good amount of information. Right. So, so the, so there's a few different lines here that you want to, you could look at Melissa. I don't think you need to zoom in. Yeah. Look, you see it, you see it. Okay. Yeah.

20:22 - Unidentified Speaker

Yeah.

20:25 - Steven R

So, um, so, so there's three boxes, the top one, you'll see a green, a green line. That's the ranking. So that determines how many it's selling, right? The ranking is how many it sells, right? So relative to what other products or exactly. I see. Relative to other products. So, you know, obviously the best product is going to have ranking number one and then, you know, bad products can go, you know, 200,000 a million. Right. So this product, you can tell it back in like February, if you look, you see the line, it was higher. So the ranking was higher. It was like closer to a hundred thousand or 200,000 and it was climbing up. So when it's climbing up, that means the ranking. The sales are dropping and the ranking is going higher. So it's no longer the number one product. Now it's going closer to the 200,000 product in that category. Yeah. So, so whenever you see, like obviously if you see something and it's ranking 200, that's kind of obvious. Sometimes though it's really easy to spot because if you look where the ranking improved right around February 22nd, you'll see that there's less space in between. So that's, that just means that the ranking is moving. Like anytime somebody buys the ranking gets updated, right? If nobody buys, it'll slowly go down. The ranking will slowly or increase the ranking will go higher. Right? So that's why you have like a slow climb up and then a drastic drop down. Right. Because when somebody buys, now the ranking goes down. Um, and so after February 22nd, there's a lot more movement. That means there's a lot more sales. Right. So, so yeah, so it looks like the ranking drop, the ranking dropping is a good thing on this graph.

22:25 - Luke Rotta

Um, so yes, because because zero is the bottom of the, like, if you look at the legend on the right side, right?

22:33 - Steven R

Oh, right. It's sales. I see. Right. So the, so the, the line dropping is a good thing because I mean the ranking, you know, number one is the best, right? So the closer it gets to the number one, the more it's selling. Right. So I see. Okay. I didn't, I didn't see that on the right. Okay. Makes sense. Okay. Perfect. Exactly. So, you know, so obviously, and then obviously, and you're going to have like a sweet spot, you're going to develop, you know, you're going to understand more on these, like, once you look at a keeper and you see where items are at, you're going to better understand it. But essentially, you know, obviously number one, it sells like, I don't know, a million times a month or something like that. Right. So you're eventually, you're going to, you're not going to want to be number one, right. But you're going to want to find a sweet spot where it's like 30,000 to a

hundred thousand. And that means that it's not super competitive and, you know, there's sales as well. Um, but pretty much here up until like February 22nd, it was a little bit slower in sales. And then something happened February 22nd. And now all of a sudden it's selling a lot more. Right. Um, which is kind of weird because the price didn't, you can tell the price dropped. But the price dropped, yeah, significantly. The price dropped significantly on the 24th, or around the 24th, around the end of March. So the price was on the 21st. Yeah, which is right around when we placed it.

24:01 - Luke Rotta

The price was good, 29, 27, were making profit. Can we see a year? Yes.

24:14 - Steven R

So we can choose what periods we can look at.

24:17 - Melissa H

Right. So.

24:19 - Steven R

So something like this. Right. I don't think we would have been able to predict that the price drops this much. Yeah. It's kind of weird, but you can also it's also all relative because the bottom one shows. The number of sellers. So if you look at the number of sellers, like now it's pretty high, it's 25, 25 right? So, so what I would do in this situation, to a Right. Because because right now, based on the current price, it's not as attractive. It's not it's not profitable.

25:11 - Luke Rotta

It's not as attractive.

25:12 - Steven R

Right. People are liquidating. So what's happening right now is everybody that's on the skew is they're trying to get out and they're trying to liquidate. Right. And then anybody new that's looking at this skew is no longer making a decision to buy this. Right. They're like, no, we don't want to buy this. This is not profitable. Right. So it's kind of like a wave. It goes up and then it'll come back down. Sorry, sorry. Give me one sec.

25:46 - Unidentified Speaker

Let me change the price.

25:50 - Melissa H

Let me add it to 25. Yeah. How did, I wonder how that price got re because you said you fixed it, right? It's not set up to auto adjust, right?

25:59 - Luke Rotta

No. And, uh, just in any case, so I'm going to set the minimum price.

26:05 - Melissa H

So, yeah, that way. So, yeah, I mean, sometimes Amazon has this glitches. Yeah.

26:18 - Luke Rotta
Let me do it again.

26:27 - Melissa H
Sorry about that. I, uh, I got stuck at home, so I'm working from home today.

26:32 - Steven R
the right Um, so, so yeah, so that's kind of, so that's kind of situation. Now, if we had looked at this, right, like, like we would like, so we would have looked at, we wouldn't have seen the April data, right. So we wouldn't have been able to, right. But, but we would be able to kind of look at the previous and be like, what can it go to? Right. So can you go, Melissa, can you go to that drop that first, yeah, that last drop, which is in December. Oh, here? Yeah.

27:22 - Melissa H
2290, right? So based on your PO, do you have the PO?

27:26 - Unidentified Speaker
Yeah.

27:28 - Steven R
So based on the PO, right, we can assess what the risk would have been here, right?

27:32 - Melissa H
So like, obviously, we have 27.

27:35 - Steven R
27 was the current, oh, which one is the last one? Is this one? OK, 22. Right. So at 22, you're at, you're right around break even. Right. So, so that means that, you know, we would have looked at it. We'd be like, all right, well look in December, this was selling at 22 something. So what are the chances of it going back to that? You know, potentially it can go back to December prices. It's only, it's been four months, but it can't go back to December prices. So in that case, You know, what are we going to be making at that price? Right. And then, and then we see a break even. So, okay. So that's not that bad. Right. Because if it would have showed, if the history would have been like 15, you know, I probably would just be like, you know, either let's stay off of this queue or let's test it with a small amount. Right. Um, but now that we know, um, we can definitely work through it. It looks like you have 16 bundles, a hundred a month. So. You guys, you should sell through this, but moving forward, you know, the team kind of has the data now and the data says. This queue is a little volatile. Um, you know, also it probably has a lot to do with the fact that he has, it looks like, I guess I'm assuming they just brought 5,000 units in stock, right? Like, and then like a lot of people in key, he got that, got that and looked at the same file. Right. So, uh, to a to a Do you think that's something that you would be, you'd be open to have a conversation with?

30:24 - Luke Rotta
Absolutely. Yeah. Okay.

30:25 - Steven R

Yeah. Just wanted to like gauge, you know, your level of hands on, right? Like, cause you know, like we have a team to make things like more hands off, but like, I want you kind of understanding the whole process. So whether you're using our team or any other team, you know, at least, you know, when somebody's actually helpful and you know, not just full of it. Yeah, absolutely. Yeah. No, I I think it's for me.

30:50 - Luke Rotta

It's good to just understand the process and and then yeah I mean, I think you guys have a great team there and it's just about leveraging the team and yeah Having a good understanding of the process and what's going on. Yeah. Yeah.

31:02 - Steven R

I mean we I really I love our team Majority of the team that but I'm pretty sure you're not AI or anything like that. She's, she's real. So, you know, obviously things come up, people, you know, sometimes, you know, they'll go in and out, you know, so, you know, that's what kind of like we like to monitor is just like you're available. Like, Hey, like, you know, totally get it. Something came up, you have health concerns or your family, you know, obviously just communicate with us. We'll let, you know, your client know that you're not available. Right. So, you know, at the end of the day, there's still humans. So we try to get the best we can, but Like I said, like it's important for, you know, because whether, you know, you're using our team or it's another team or whatever it is, it, the more, you know, the better you can oversee it and make sure that you're not being taken. A lot of these people, you know, buy Amazon stores and they're like, no, I need a passive. I don't want to be involved. And then they're like, I don't know what happened with my money, you know? So, right. Yeah. Well, yeah, that's, that's exactly right. Exactly what happens. I want, I want it to be a, like a collaboration, right?

32:24 - Luke Rotta

You know, like I'm, I'm all in it as much as you guys are. Right. I think that's what will make a success. Yeah. And that's pretty much how I ran my store. You know, at one point I had my store upwards of a million dollars a month.

32:36 - Steven R

Um, I did have in-house buyers when I was running in Queens, but this is kind of the same thing because you know, it's, you know, we're virtual. Everything's virtual, you know, so at one point I was just reviewing pretty much on a daily basis. I was reviewing, um, purchase orders that I was getting and, you know, they were pretty big person. I had 10 buyers that were working for me at the time. So they were pretty big purchase orders, like 10 to 20 SKUs. You know, if I got, if half the team sent me a new purchase order that day, you know, that's five SKUs, maybe a hundred SKUs, five, five SKUs per PO. So, you know, it adds up. To a You know, I don't know. Some people do. So I, I personally, I was pretty busy, so I couldn't check every item, but what I would do is I would spot check it. Right. So I would just open this and just check two random items, you know, and see which ones I liked. Typically I'd pick the items that typically either had the highest ROI, right? Like if I open this and it shows me I'm making a thousand percent ROI. The right Um, so that's what I was doing. I was, I was, um, I was approving

purchase orders and I was raising capital. Those were the two things that I were doing. And as the team got more inventory, I would then go out and then raise more capital, whether it be, you know, Amazon loans, credit cards, you know, lines of credits, whatever it is. But essentially that's how I was able to grow my sales to over a million a month. Um, you know, because yeah, because if the team's working well, then they're going to keep giving you more stuff to buy and, you know, and then you need to just keep funding orders to keep growing your sales. Right. Yeah. And I, yeah, and that's what I intend to do. And I have some, I have a decent amount of cash set aside to fund.

34:53 - Luke Rotta

So once there's a lot of different ways, there's, there's all kinds of different ways that you can fund, whether you're using your own cash or, you know, Amazon or you're operating with investors or whatever it is, there's a lot

35:04 - Steven R

of different ways. So, you know, we can definitely touch on that once we get there. To a So, okay. So that kind of, so you guys, did you guys sell any of the mustard or, or not yet? Yeah, we sold some. Okay.

35:43 - Luke Rotta

I think they were kind of there at a loss, but because the price is so low.

35:49 - Unidentified Speaker

Yeah.

35:49 - Steven R

So, I mean, right now, you know, if you have budget available, right?

35:53 - Luke Rotta

Like I wouldn't really worry about liquidating them yet.

35:57 - Steven R

Yeah, no. Yeah. Yeah. What? So, so Melissa is the price still 22? Um, yeah, I increased it to 22.25. Okay.

36:09 - Melissa H

That's breakeven. No, no, we have some profit. So Luke and I discussed on Friday, she increased the price and just wait for, right. Yeah. Cause there's a few, there's like, there's a few in there that like, I think a few sellers, they only had a few of them in stocks, so they were going to sell out soon anyways.

36:28 - Luke Rotta

Yeah. Did you guys, um, yes. Did somebody lower it or did the repricer set at the 15?

36:36 - Steven R

Do you know, Melissa? I don't know how we have the repricer out here because I remember repricing it on Friday.

36:49 - Melissa H

Okay. Erica, did you, is that all done in, in, in the seller central or is that done from sales support?

36:58 - Luke Rotta

So the repricer is in sales support. Um, we like to keep everything there.

37:02 - Steven R

So outside of Keepa, Sales support is pretty much gonna have everything you need. Because we're uploading our purchase orders there. So the costs are there so it's calculating our bundle costs. It's calculating all fees because it's pulling in all the data from Amazon and aggregating it. It knows what the warehouse is doing because the people in the warehouse are using sales support to ship the orders and So, so they're using, you know, their, their look, they have a login and they can access your shipments through your Amazon through their API access. So they're creating shipments to get the stuff into Amazon. So that means that we essentially can calculate all of the prep fees and everything like that, um, to, and it automatically feeds the price because it has a reprice of built in. So that's definitely something I will want to look into see. Maybe it was incorrectly set up. I'm not sure if we changed it, but, um, you know, typically when we buy it, it already has the settings. So maybe it was the first one and it wasn't set up. I'm not sure. I definitely want to look into it myself. Um, so I will check that out later, but essentially. You know, it has a cost. So once you have that set up, it will automatically start pricing it based on whatever the reprice are set up to. So if I want to kind of mess around, like do some like scenarios, right? Where can I do that to make sure that all the costs are being considered?

38:30 - Luke Rotta

Is everything in that PO, like even the, even the FBA machine costs? So there's no FBA machine costs. Um, there's, there's, well, you, you charged me for like the labeling and shipping, right?

38:44 - Steven R

So there's the warehouse. There's a warehouse.

38:46 - Luke Rotta

Yeah. So it's, you know, it's through sales support.

38:50 - Steven R

Um, so yeah, so there's a, is that, that is that warehouse cost noted in the PO, I guess is my question. Yeah, sure.

38:58 - Luke Rotta

So let's go through, I'll just quickly go through the fees in this PO to kind of bring you up to speed on that.

39:03 - Steven R

So you have Amazon fees, so there's three Amazon fees, which is the referral fee, which is a percentage. Based on the category, you have the FBA fee, which is based on the weight and dimensions, and that's kind of like their prime fee so that they

get it to the customer in two days. And then you have your storage fee, right? So storage fee is a monthly, and they calculate it per day. So those are the three Amazon fees. And then you have your inbound shipping, which kind of covers the warehouse and prep fees, right? So there's no way... Yeah. There's no way that we can calculate or know exactly which fulfillment center Amazon is going to right now. Our like the what we're seeing is the turnaround for Amazon to get inventory is a little bit longer than we like, mostly because they've been trying to get us to ship stuff to random locations around the country. You know, it's kind of like their way of saying, like, you know, we don't like we don't want to sort it for you. Just ship it to Arizona. Right. And we've had like a really great way of going around all that. And we've never shipped to Arizona, you know, because we're like, we don't want to ship to Arizona too far. So we ship everything to New Jersey because it's an hour away and it costs us the least. But lately they reintroduced this API, the shipping API twice. This is the second API that they've just introduced for shipping. And they just announced they're going to be launching a new one and the end of the year. So now we have to rebuild it. Again, but they're trying to get us to ship a little bit further, so that's causing more delays. But essentially what Erica did here was she put a buffer of, depending on the SKU, right? So some of them have \$1.10, some of them have 80 cents. And the fees in the warehouse are, they're pretty low. If you shop it around, you'll see the warehouse is not really a profit generator for us. That that's true Per bundle, exactly. Per bundle. So I guess in here, like if you take that first line item, it says \$1.10.

41:38 - Luke Rotta

I don't know that that's figured into the calculation as per item. Yeah, so it's column AF is the amount. So if you go to the profit, you'll see it's part of the formula.

41:50 - Steven R

It's like towards the end, you have AC2, AE2. And AF2 so it's combining AC2 and AE2 and AF so AC is the complete FBA fee AE is the commission fee yeah and then AF is that inbound shipping fee so it's combining so you see the you see the formula in the field right yeah I do but I guess my point is I'm just trying to find it.

42:23 - Luke Rotta

No worries. It's that, so AF2, but that's, it's more than a \$1.10. That's per item, right? Not in total for that. Yes. So, so that field, that column is net profit per item, right?

42:43 - Steven R

So it's \$2.72 you're making per item. So that's after the \$1.10. Is calculated. So that's for that's yes. Oh, I see. I see. Okay. So, so all that is per item, right?

43:00 - Luke Rotta

So the Amazon fees is per per unit and then the inbound shipping fee is per unit.

43:06 - Steven R

So essentially you're making two 72 per bundle, right? So it's six units, but it's, but we're calculating it per bundle. Yeah. Yeah. I gotcha. Okay. So that's the, that's your total all in. Yeah.

43:18 - Luke Rotta

And also again, it's an estimate because we don't know where Amazon is going to route it to.

43:26 - Steven R

So essentially what we'll do is we'll take an estimate and then we'll compare it. And then we'll look at it after and see, we factored in \$1.10, we'll get an invoice per shipment so we could see how much in total the prep was. Higher than \$1.10, right? Maybe it's a heavy item or it's an oversized item or it's a fragile item, you know what I mean? So we try to do our best to estimate it, but obviously we'll look at it afterwards and see, all right, well, this was closer to 120 or 130, whatever it is, right? So that's kind of the only way we can do that is as an estimate. That makes sense. Yeah. It makes sense that it's an estimate, right? Because your price is an estimate and your other, that the Erica, can you tell us why did you use, can you tell us a little bit about why you went with \$0.80 and \$1.10 so we can understand that? How you decided on which one, which estimate to use?

45:00 - Erica R

Yes, we have details on how much do we need to put in inbound shipping, for example. So if it's a pack of 1 to 4, or if it's a pack of 1 or 2, we're going to use 0.80 cents. But if we'll go to pack of 2 to 4, then that's the time that we're going to use \$1.10. OK. So it's just a bundle fee because there's a label fee and there's a bundle fee.

45:34 - Steven R

So anything that's not a bundle, she put a little bit less. I see. But yeah, once you get an estimate, an invoice from the sales support for the warehousing, you'll see it on the credit card from Swiftship. Yeah, that's what I see. Okay. Yeah. But those costs are already kind of baked in to my net.

45:55 - Luke Rotta

They're baked into the calculation, to the profit calculation before you buy it.

46:02 - Steven R

Right. Okay. Yeah. All right. That's one that just wasn't clear to me, but now, now it is.

46:07 - Luke Rotta

Yeah. Yep. So that's kind of the formula behind the profit.

46:14 - Steven R

So regarding the Keepa, you know, like I said, like based on that tool, we can see the history.

46:22 - Melissa H

the fifth I think we had a little bit of the whey protein cell as well as the fiber.

46:47 - Luke Rotta
The fiber, I think, has solved the xylem.

46:51 - Melissa H
Xylem husks or whatever.

46:55 - Luke Rotta
Oh, so the monthly unit sold, it increased as well from 100 to 200.

47:01 - Melissa H
So yeah, it's selling better. Because it's on 15. Yeah. Cause it's like 40% the cost. Right. I mean, which is, which is also kind of good because that means that everybody who's liquidating will sell off faster.

47:17 - Luke Rotta
Yeah.

47:18 - Steven R
And then we can, you know, sell our units at the price we intended.

47:24 - Unidentified Speaker
Yeah.

47:24 - Steven R
Okay. Yeah. So some of it's just kind of waiting, waiting the market out a little bit. Yeah. You got it. Yeah.

47:30 - Luke Rotta
A lot of the SKUs, uh, yeah, they definitely fall into like trends, but like, you know, you know, again, it also depends on.

47:38 - Steven R
you know, cause like, cause like some of the, you know, you could still sell through, like, you know, it depends on where you're buying, right? Kiki, obviously a lot of people buy from Kiki. Um, you know, if we have it, if we're buying it for a third of the price, you know, we could technically still sell 15. So, you know, at that point we just evaluate if it's worth sourcing it somewhere else or just move on to another item or just wait for it to become profitable again. Yeah, gotcha. So is this one, are you guys selling this one? Yes, we have it there.

48:12 - Luke Rotta
Okay.

48:16 - Steven R
Okay.

48:17 - Melissa H
Looks like somebody's selling it. FBM. Yeah.

48:22 - Steven R

You guys are FBA. Yeah. Okay.

48:27 - Unidentified Speaker
Yeah.

48:27 - Melissa H
They have only two units in stock. Okay. Yeah, I think we're priced at like 59, 55, 95 something.

48:37 - Unidentified Speaker
Cool.

48:40 - Luke Rotta
Um, selling a little bit lower than that, I think right now.

48:46 - Steven R
Okay. Are you guys, are you guys making profit on this one? I think this one's a little bit tighter just because the key heat discount was only about 15%.

48:56 - Luke Rotta
I think the margin is just a little tighter on this one. Yeah. So we are a little bit higher than the feature offer.

49:07 - Melissa H
Yeah, that's good.

49:11 - Steven R
We don't need to be in the buy box to get sales just because Amazon, like it, depending on where the inventory is, they'll, they'll choose our, they'll offer us instead of somebody else, even at a higher price. Yeah. Okay. Yeah. I was curious how that worked.

49:26 - Melissa H
Like, yeah, because the guy who's in the box right now, he's selling it FBM.

49:32 - Steven R
that's that's that's Sure. And so they, you know, obviously they could see if something is prime, what, what affects the sales. So, you know, they, even though it's more expensive, they see that it sells better when it has better delivery time. So they will show a prime offer over, um, you know, fill that merchant offer, even, even if it's a higher price. So what's okay. So what's the profit at the current price, Melissa? Yeah, like \$7. I think we can lower a little bit on the price.

50:51 - Melissa H
I think you guys, you guys are, uh, Luke is just starting out. You guys don't need to be so, uh, trigger, trigger happy here.

50:59 - Steven R
Yeah. We can lower a little bit here. You can lower it, but I don't think you need

the Luke.

51:06 - Melissa H

You don't need the money right now. Right?

51:08 - Steven R

Like that's how I got it. Not necessarily. No, for the long haul and to, to make the money.

51:16 - Luke Rotta

So I'd rather. Yeah. Yeah. Because right now, like, what pretty much what the team is doing, they're looking at it and, you know, they're trying to get you more sales.

51:24 - Steven R

So like, you know, you're happier and, you know, you like the process, but essentially at some point you're going to have like, you know, hundreds of SKUs, if not, you know, essentially thousands of SKUs, right? Like at some point, you know, when I was doing seven figures, I had like 2,500 active SKUs, right? So I was not, you know, like there was times when I would go in and just start adjusting prices, but that wasn't until like, you know, I got, you know, too many purchase orders and I'm like, you know, I'm waiting on, you know, accounts, you know, payable or whatever it is. Right. So then it's like, if I need the money back for more inventory, I have good inventory. Right. There was times when my team didn't really have any good POs, you know, a week where they maybe didn't have anything good to buy. Right. I would just. To a at seven bucks per unit, you know, you don't need that many, you know, you're not going to need thousands of skews. So, you know, this is a good item. I would not adjust the pricing until I have one or two things, either one, you need the money back for more, better, more profitable products, right? Like you have something that you need to replenish that you just sold through. The fed And if it's not those two things, I would not touch the price at all. If anything, you know, you may want to even increase it. Like sometimes, you know, because yeah. You know, and, and if you don't, you know, whether the money, the money, the money is either sitting in your bank account or it's sitting in Amazon's warehouse, you know, like, I think, you know, to me, to me, it doesn't matter. I mean, if it's going to earn right. That's still a good investment, right?

53:37 - Luke Rotta

I can't get that out of the bank.

53:39 - Steven R

I feel like, I feel like nowadays with the way the banking system works, I mean, it might be safer at Amazon.

53:44 - Luke Rotta

Yeah.

53:45 - Steven R

Very possible. So, so yeah, that's the way I'm treating this is like, you know, like I have this investment, I'm going to get a return on that and yeah, I don't,

I'm not putting the money into it because I need it

53:58 - Luke Rotta

desperately back. It's just, I want to build it so that it, I have this like, you know, kind of, kind of like money machines going, right? For sure. Yeah. How many of you guys sold that one so far? I don't think many because the price, I think we're waiting for people to sell out.

54:14 - Steven R

Might've sold one, two.

54:18 - Luke Rotta

Let's check. One. Okay.

54:24 - Melissa H

Yeah. It was one of the items I think that sold first and then there was just a cheap price. So, you know, so when I had, um, you know, thousands of SKUs in stock, you know, it's really hard to gauge the sales.

54:46 - Steven R

Like you can't, you know, you can't like, cause some items sell daily, some items sell, you know, once a month, you know what I mean? Um, there's no, it's really hard to gauge it. So the way that I would do it was I would just look at my percentage of sales. And typically on average, I had about, I sold through about 4% of my daily inventory. So, yeah. So if you have like, you know, a hundred thousand of inventory at Amazon available for sale, you know, I would get like a day in sales. Ah, I gotcha. Yeah. That's in sales though, not in, in net.

55:25 - Luke Rotta

Right. Exactly. In sales. So, and I would monitor that. I would monitor that rate, right?

55:30 - Steven R

So, you know, if it ever fell below like 3%, like 2.5, you know, then I would look in and kind of like maybe adjust some prices, obviously on like holidays and like Sundays, you know, Tuesdays, you're going to get a better percentage, right? Like I think on like prime, I had like close to 10% of my inventory sold. Um, so based on the holidays, based on the selling days, but you know, people are gonna sell out, right? And then this item is going to start selling, right? So it's not really gonna change much. And it's just a little, it just becomes like a little more acute when you only have, you know, like three to five SKUs, right?

56:21 - Luke Rotta

Cause then it's like, well, nothing's happening some weeks and other weeks.

56:29 - Steven R

and a to a and you have 22 units of stock. So, you know, it's up to you. If you want to get more sales, you know, if you're not, if you don't, if you don't care so much about the margin right now and you want to just get more revenue, right. That's not, not the worst thing to do. Like, you know, if your revenue, if you're

focused on revenue, right. Like there's companies that are more focused on revenue, like, especially like the bigger ones, like, you know, companies that are doing like, you know, a million to 4 million a month. And sales, they're more focused on revenue, right? But their profit can be elsewhere, right? Cause their profit, when you're doing like that much volume, their profit could be like on rebates or like kickbacks from vendors or like, you know, discounts on shipping discounts on material. And I mean, yeah, there's a lot of different things. So, you know, it's just, it has to do with your, with your pricing, with your, your, your strategy, right? Your business strategy, right? Like, are you more focused on revenue? Are you more for profit? And based on that, You can, you know, you can use that to put together your pricing. Right. So I see. I gotcha. Yeah. I think for me for right now, it's like I'm focused on profit and turning it into something that I can.

58:46 - Luke Rotta

Yeah. So in that case, I would just focus on getting more, more SKUs, more products.

58:51 - Steven R

Yeah. Okay. Instead of like, instead of like rushing, like if you have money for more products, right? Like instead of like rushing this product and like putting it to the front of the store and liquidating it, right? Like just work on filling up the store more because the more products you have, the more type of people are going to come in. Yeah. Agree. Yeah. I think that's exactly where I'm at. I'd rather build, build and be patient.

59:12 - Luke Rotta

Um, and kind of just let, let the process work the fifth and a Parts Sorter in the works for Lou.

1:00:07 - Steven R

Are you frozen? Is she frozen? I'm sorry, what was that again, Steve? Are you working on another purchase order?

1:00:22 - Erica R

Yes, I'm about to ask the sourcing team to create a new purchase order, but Jen and I were trying to create the PO from another vendor, which is Frontier. I was wondering where that was at. So that's all set up now?

1:00:41 - Luke Rotta

Yes, Jen was able to open you an account and just waiting for the account number.

1:00:47 - Erica R

So if ever that we have the account already, then we can start looking for items and create a new PO for you. Okay. So, I mean, it doesn't really matter frontier or key here, whatever it is, you know, if you guys have a key, he won, you know, I think, you know, loops open to more key as well.

1:01:07 - Steven R

Yeah. I'm, I'm definitely open to building here. We can, we can expand. I, and I have.

1:01:11 - Luke Rotta

I have enough cash to keep going here. Yeah. So Luke, I think it would be helpful.

1:01:19 - Steven R

Like we didn't go too much into, into keep up, but if you were to get the subscription, And then kind of like glimpse at the PO and kind of like make your own, right. And then like, you know, we could even jump on after, and then like, I would give you like my share on how you're looking at it, you know, would be, you know, because if I just give you my opinion on it, you know, then I might miss some things, but if I can give you my opinion on how you're looking at it, then it might help you out. Um, you know, like me catching some, you know, some weak spots or something you missed, maybe things like that would be more helpful. Got it. Yeah. I'll download, I'll install it and I'll just, I'll sign up. Cool. Seems worth the 20 bucks.

1:02:05 - Luke Rotta

Yeah. It'll give you the history. So, you know, it'll, it's definitely probably the best investment as far as software tools.

1:02:13 - Steven R

Any idea what drives the sales support monthly costs? Just seems kind of high at a hundred bucks a month.

1:02:21 - Luke Rotta

Well, it has a lot of tools into it. I gotcha. Yeah. Like it's got a, it's got a repricer.

1:02:27 - Steven R

It's got a shipping plan thing. It's got a, like a profit and loss. It's got a PL management. It's got, um, like returns built in. It's got, um, I forget everything we put in.

1:02:43 - Unidentified Speaker

Yeah.

1:02:44 - Steven R

Like you, like you could see it, like if you're managing multiple stores, you can also get like an agency. To a and a They're really expensive. They're like 250. There are some cheaper ones. They're like 50. But again, these tools are all individual So like if you come like the suite of tools it adds up some softwares even They don't give it you all like like there's nine yard, which has They have like a PO management similar sales support and then they have a shipping tool similar sales support and And I think a few other ones, but they're like, it's like a la carte. So you have to like buy each, pay for each one individually. And they're like two 50 each. So we try to like just pack in as much value for 99 bucks. Okay. That's helpful. Yeah. I mean, part of it is I just don't understand what like some of the other costs are.

1:04:24 - Luke Rotta

Right. So, yeah. Yeah. I mean, you're going to get more familiar with all the different